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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

COUNTRY Guatemala

SUBJECT Interview with Local Newspaper Editor

PLACE ACQUIRED BY SOURCE

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THIS IS UNEVALUATED INFORMATION

SOURCE Official of a US company with extensive interests in Latin America who recently interviewed an editor of a Guatemalan newspaper.

The following represents impressions and conclusions gained from such interview:

1. "Ninety to ninety-five per cent of the career employees in the Guatemalan government service are not in sympathy with the present regime nor its objectives."

2. "A number of them are known to the government because photos of mass demonstrations, blown up by the Secret Police, have revealed numerous governmental employees taking part in anti-government demonstrations."

3. "Yet these employees stay on, keep close-mouthed, and are not molested because they are trained in their jobs and the government would find it difficult to obtain qualified replacements."

4. "There is an underground anti-government movement among civilians and military; but the individual groups are small, are unknown to one another, or with very limited contact, the purpose being that those heading the movement will not be known to the majority and hence high-level plans cannot be revealed by minor members, even under torture."

5. "We will settle this problem ourselves--not with arms brought from abroad, but with arms which are presently in Guatemala."

6. "Economic sanctions, if initiated by the US, would result in the government's increasing its prestige and enlisting more support from the people as a whole on the basis of outside intervention. National pride and independence would be exploited by the clever Communists to the utmost."

7. "The true leader of the Communist movement and strategy in Guatemala is unknown; yet he is in Guatemala. José Manuel Fortuny, who is known, is clever, intelligent, and hence doubly dangerous."

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8. "As yet there is no Exchange Control law, and Guatemalan coffee shippers are not bringing dollars back. The statement was made that some US$50 to 60 million is in the National City Bank of New York and other banks.

9. "Government owned coffee farms, confiscated from Germans, have steadily gone downhill in producing efficiency. Government delegated superintendents and overseers, instead of using cash grants for the purchase of fertilizer and other essentials, are pocketing the money.

10. "Graft, on both minor and major scales, is a characteristic of the existing regime. A prominent governmental official recently threw a week-end party, with three orchestras, unlimited booze and food, the purpose of which was to celebrate his first million.

11. "If the government wished to proceed on grounds of decency and even following the judicial pattern of Perón in Argentina, and nationalized the banana industry, the railroad, the power company, etc., it should be done on the basis of paying cash for the properties. It has no cash for this purpose.

12. "Army officers, high government officials feeding at the trough, have thus far insisted on new Cadillacs each year. The custodian of the public funds had to shut down on this when it came to 1954 replacements for 1953. They are getting to the bottom of the barrel cash-wise.

13. "There still is freedom of the press, although anti-government newspapers live in an atmosphere of personal danger. The government thus far has not dared to clamp down on the press because such action would completely explode its assertions that Guatemala's government is democratic.

14. "If, because of continued pressure or inability to operate at a profit, or other similar reason, the United Fruit Company should come to the conclusion that it must retire from Guatemala, a crisis would immediately be precipitated in that some ten to fifteen thousand men, presently employed by the Fruit Company, would be out of work, and the government would not be able to take care of them.

15. "Statement was made that any such action would bring a fast showdown, where the government, in the interest of self-preservation, would be forced to ask the United Fruit Company to reconsider."

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